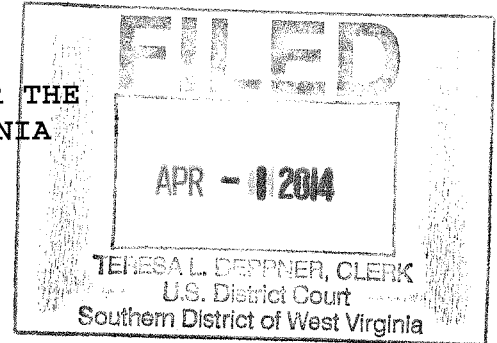


SEAL

UNITED STATES DISTRICT COURT FOR THE
SOUTHERN DISTRICT OF WEST VIRGINIA
CHARLESTON GRAND JURY 2013
APRIL 1, 2014 SESSION



UNITED STATES OF AMERICA

v.

CRIMINAL NO. 2:14-00066
18 U.S.C. § 1341
42 U.S.C. § 408(a)(7)(B)
18 U.S.C. § 1029
18 U.S.C. § 1028A

SHANNON COLLINS
aka Shannon Lee Varney

I N D I C T M E N T

COUNTS ONE THROUGH SEVENTEEN
(Mail Fraud)

The Grand Jury Charges:

BACKGROUND

At all relevant times herein:

1. The West Virginia Department of Health and Human Resources (hereinafter "DHHR") was a department of the executive branch of the West Virginia state government, the mission of which was to promote and provide appropriate health and human services for the program participants in West Virginia, in order to improve their quality of life.

2. Among its other responsibilities, the DHHR assisted qualifying participants (hereinafter "participants") by providing services and programs, such as nutrition assistance

programs, Medicaid assistance, and other social welfare programs.

3. Eligibility for participation and the calculation and awarding of benefits in these programs was determined by "Economic Service Workers" (hereinafter "ESW's"), that is, employees of the DHHR who gathered relevant information from applicants (including personal means of identification, such as names, social security numbers, and dates of birth) and entered that information into a centralized computer program, known as Recipient Automated Payment Information Data System (hereinafter "RAPIDS"). RAPIDS assigned a unique identification number for each participant. All ESW's had access to RAPIDS through individually assigned identification numbers issued to them by DHHR.

4. One of the programs administered by the DHHR through the RAPIDS program was the Non-Emergency Medical Transportation (hereinafter "NEMT") program, which assisted eligible West Virginians by facilitating transportation to medical facilities. The DHHR approved reimbursement to certain transportation providers who had provided these NEMT services. A person whose identity is known to the grand jury, (hereinafter "First Known Person") was a transportation provider in the NEMT program.

5. Another program administered by the DHHR through the RAPIDS program was the Supplemental Nutrition Assistant Program

(hereinafter "SNAP"), formerly known as the food stamp program. The ESW's, using RAPIDS, determined eligibility for SNAP benefits and administrated the distribution and redemption of those benefits, which benefits were funded by the United States Department of Agriculture. Eligible participants were provided an access device known as a Mountain State Card. The Mountain State Card operated as a debit card, where every month, a certain amount of money was placed onto the card for the use of the program participant. Each card had a 16 digit number on the front and a magnetic strip on the back that was unique to the SNAP recipient.

6. Defendant SHANNON COLLINS was employed as an ESW in the DHHR's Logan Office in Logan, West Virginia. As such, defendant SHANNON COLLINS was responsible for using the RAPIDS system to provide DHHR services to eligible West Virginians. Defendant SHANNON COLLINS was assigned a unique code to allow her to access RAPIDS as an ESW, to-wit: EW2332.

The Scheme to Defraud

7. Beginning in or about April 1, 2009 and continuing until at least December 21, 2009, at or near Logan, Logan County, West Virginia, within the Southern District of West Virginia and elsewhere, defendant SHANNON COLLINS knowingly devised and intended to devise a scheme and artifice to defraud and to obtain monies and property from the DHHR, by means of

materially false and fraudulent pretenses, representations, and promises (hereinafter referred to as the "scheme").

Summary of the Scheme

8. In executing this scheme, defendant SHANNON COLLINS used her access to the RAPIDS computer database to create a fictitious account and to submit fraudulent claims to the DHHR in order to generate benefits that she thereupon converted to her own use. In executing the scheme, defendant SHANNON COLLINS created at least one fraudulent account and submitted at least seventeen fraudulent claims, thereby wrongfully obtaining for herself over \$52,000 from the DHHR.

Manner and Means for
Executing the Scheme to Defraud

9. It was part of the scheme that beginning on or about April 1, 2009, and continuing through at least August 5, 2009, defendant SHANNON COLLINS, through her employment as an ESW at the DHHR, retrieved personal account information from DHHR program participants in the DHHR RAPIDS database. Defendant SHANNON COLLINS used these participant accounts to give herself NEMT and SNAP benefits for which defendant SHANNON COLLINS knew she was ineligible.

10. It was further part of the scheme that defendant SHANNON COLLINS also created a fictitious RAPIDS account using the name of "Mary B. Ellis" (hereinafter "Mary B. Ellis"

account). Defendant SHANNON COLLINS assigned a deceased individual's social security number to the "Mary B. Ellis" account in the RAPIDS system. Defendant SHANNON COLLINS further assigned "Jason Ellis" as a custodial grandchild to the "Mary B. Ellis" account. Defendant SHANNON COLLINS also assigned a deceased individual's social security number to "Jason Ellis."

11. It was further part of the scheme that Defendant SHANNON COLLINS then changed the original fictitious address associated with the "Mary B. Ellis" account to a Post Office Box opened and maintained by defendant SHANNON COLLINS, that is, P.O. Box 336, Logan, West Virginia (hereinafter "defendant SHANNON COLLINS' P.O. Box.")

12. It was further part of the scheme that after retrieving a participant's RAPIDS data, defendant SHANNON COLLINS used the personal information from program participants and the "Mary B. Ellis" account to enter fraudulent NEMT payments in the RAPIDS database in the name of the First Known Person. Based on the date defendant SHANNON COLLINS entered the requests for payment into the RAPIDS database, the individual NEMT claims would then be bundled by RAPIDS into a larger reimbursement payment check. The bundled NEMT payment checks were subsequently mailed to defendant SHANNON COLLINS' P.O. Box.

13. It was further part of the scheme that, upon her receipt of the fraudulently issued NEMT reimbursement checks,

defendant SHANNON COLLINS would and did take the payment check from the mail, forged or caused to be forged the First Known Person's signature on the endorsement line and then, on at least ten checks, co-endorsed the check by signing her own name, and subsequently cashed the checks and converted the proceeds to her own use and benefit.

14. It was further part of the scheme that defendant SHANNON COLLINS caused the DHHR to mail 15 fraudulent NEMT reimbursement checks to defendant SHANNON COLLINS' P.O. Box, and, by such action, did thereby fraudulently receive more than \$50,000 from the DHHR.

15. It was further a part of the scheme that defendant SHANNON COLLINS also caused the DHHR to mail two SNAP Mountain State Cards in the name of "Mary B. Ellis" to defendant SHANNON COLLINS' P.O. Box. Once these cards were received, defendant SHANNON COLLINS used the cards around Logan, Logan County, West Virginia and elsewhere, by purchasing goods at various retailers for her own use and benefit and, by such action, did fraudulently receive approximately \$2,278 from the DHHR and the Department of Agriculture.

Use of the Mail in Furtherance of the Scheme

16. On or about the following dates, at or near Charleston, Kanawha County and also Logan, Logan County, West Virginia, and within the Southern District of West Virginia and

elsewhere, for the purpose of executing and attempting to execute the above-referenced scheme, defendant SHANNON COLLINS knowingly caused a matter and thing to be sent and delivered by the United States Postal Service according to the direction thereon, namely, an envelope addressed to "P.O. Box 336, Logan, West Virginia, 25601," containing fraudulent NEMT benefit checks and Mountain State Cards to which defendant SHANNON COLLINS was not entitled to receive:

COUNT NUMBER	APPROXIMATE DATE OF MAILING	ITEM DELIVERED BY UNITED STATES POSTAL SERVICE TO P.O. BOX 336, LOGAN, WEST VIRGINIA
1	4/8/2009	Mountain State Card Number xxxx xxxx xxxx 6351 in the name of "Mary B. Ellis"
2	4/27/2009	\$400.50 check in the name of First Known Person
3	5/4/2009	\$623.65 check in the name of First Known Person
4	5/11/2009	\$938.95 check in the name of First Known Person
5	5/18/2009	\$1,358.33 check in the name of First Known Person
6	5/26/2009	\$1,437.38 check in the name of First Known Person
7	6/1/2009	\$3,652.55 check in the name of First Known Person

COUNT NUMBER	APPROXIMATE DATE OF MAILING	ITEM DELIVERED BY UNITED STATES POSTAL SERVICE TO P.O. BOX 336, LOGAN, WEST VIRGINIA
8	6/8/2009	\$1,766.00 check in the name of First Known Person
9	6/15/2009	\$2,436.92 check in the name of First Known Person
10	6/22/2009	\$5,617.75 check in the name of First Known Person
11	6/30/2009	\$4,940.76 check in the name of First Known Person
12	7/6/2009	\$2,439.99 check in the name of First Known Person
13	7/13/2009	\$2,774.25 check in the name of First Known Person
14	7/20/2009	\$5,597.42 check in the name of First Known Person
15	7/27/2009	\$6,497.00 check in the name of First Known Person
16	7/28/2009	Mountain State Card Number xxxx xxxx xxxx 0323 in the name of "Mary B. Ellis"
17	8/3/2009	\$10,344.80 check in the name of First Known Person

In violation of Title 18, United States Code, Section 1341.

COUNT EIGHTEEN

(Misuse of Social Security Number)

1. The Grand Jury re-alleges Paragraphs One through Fifteen of Count One of this Indictment as if fully set forth herein.

2. On or about April 1, 2009, at or near Charleston, Kanawha County and also Logan, Logan County, West Virginia, and within the Southern District of West Virginia and elsewhere, defendant SHANNON COLLINS for the purpose of obtaining a payment or benefit to which she was not entitled, and something of value, knowingly, willfully and with the intent to deceive, made a materially false statement in a RAPIDS SNAP account application using the name "Mary B. Ellis," and falsely and fraudulently represented the social security number of "Mary B. Ellis" to be xxx xx 7694 when, in fact, this social security number was assigned to C.S., a deceased individual.

In violation of Title 42, United States Code, Section 408(a)(7)(B).

COUNT NINETEEN

(Misuse of Social Security Number)

1. The Grand Jury re-alleges Paragraphs One through Fifteen of Count One of this Indictment as if fully set forth herein.

2. On or about May 6, 2009, at or near Charleston, Kanawha County and also Logan, Logan County, West Virginia, and within the Southern District of West Virginia and elsewhere, defendant SHANNON COLLINS for the purpose of obtaining a payment or benefit to which she was not entitled, and something of value, knowingly, willfully and with the intent to deceive, made a materially false statement in a RAPIDS SNAP account application using the name "Jason Ellis" as the grandson of "Mary B. Ellis," and falsely and fraudulently represented the social security number of Jason Ellis to be xxx xx 9941 when, in fact, this social security account number was assigned to H.H., a deceased individual.

In violation of Title 42, United States Code, Section 408(a)(7)(B).

COUNT TWENTY

(Access Device Fraud)

1. The Grand Jury re-alleges Paragraphs One through Fifteen of Count One of this Indictment as if fully set forth herein.

2. From in or about April 14, 2009 through in or about December 21, 2009, at or near Logan, Logan County, West Virginia, and within the Southern District of West Virginia and elsewhere, defendant SHANNON COLLINS knowingly and with the intent to defraud, used and caused the use of one or more unauthorized access devises affecting interstate commerce, to-wit: Mountain State Cards xxxx xxxx xxxx 6351 and xxxx xxxx xxxx 0323 issued in the name of "Mary B. Ellis", and by such conduct, obtained things of value aggregating more than \$1,000 within a one-year period.

In violation of Title 18, United States Code, Section 1029.

COUNTS TWENTY-ONE THROUGH THIRTY-FIVE
(Aggravated Identity Theft)

1. The Grand Jury re-alleges Paragraphs One through Fifteen of Count One of this Indictment as if fully set forth herein.

2. On or about the following dates, at or near Charleston, Kanawha County and also Logan, Logan County, West Virginia, and within the Southern District of West Virginia and elsewhere, defendant SHANNON COLLINS knowingly transferred, possessed and used, without lawful authority a means of identification during and in relation to violations of 18 U.S.C. § 1341, that is, mail fraud, by fraudulently and without authorization using a unique means of identification, to wit: the name, date of birth, social security number and RAPIDS account number of the following DHHR participants identified herein as known persons by their initials, to obtain NEMT benefits checks in the name of the First Known Person to which defendant SHANNON COLLINS was not entitled:

COUNT NUMBER	APPROXIMATE DATE OF MAILING	INITIALS OF DHHR PARTICIPANT	ITEM DELIVERED BY UNITED STATES POSTAL SERVICE TO P.O. BOX 336 LOGAN, WEST VIRGINIA
21	4/27/2009	T.S. J.W.	\$400.50 check in the name of First Known Person
22	5/4/2009	D.C. R.B.	\$623.65 check in the name of First Known Person

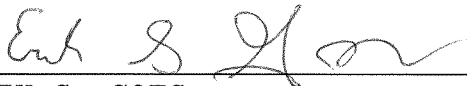
COUNT NUMBER	APPROXIMATE DATE OF MAILING	INITIALS OF DHHR PARTICIPANT	ITEM DELIVERED BY UNITED STATES POSTAL SERVICE TO P.O. BOX 336 LOGAN, WEST VIRGINIA
23	5/11/2009	J.W. T.B. R.B.	\$938.95 check in the name of First Known Person, of which \$513.53 was bundled with the fictitious account of "Mary B. Ellis"
24	5/18/2009	J.W. A.W. R.B.	\$1,358.33 check in the name of First Known Person, of which \$975.82 was bundled with the fictitious account of "Mary B. Ellis"
25	5/26/2009	S.K.	\$1,437.38 check in the name of First Known Person, of which \$200.25 was bundled with the fictitious account of "Mary B. Ellis"
26	6/1/2009	M.C. J.W. M.F. R.B.	\$3,652.55 check in the name of First Known Person, of which \$3,181.30 was bundled with the fictitious account of of "Mary B. Ellis"
27	6/8/2009	M.F.	\$1,766.00 check in the name of First Known Person, of which \$756.50 was bundled with the fictitious account of "Mary B. Ellis"
28	6/15/2009	M.F.	\$2,436.92 check in the name of First Known Person, of which \$867.75 was bundled with the fictitious account of "Mary B. Ellis"
29	6/22/2009	M.C. J.G. M.F. T.S.	\$5,617.75 check in the name of First Known Person

COUNT NUMBER	APPROXIMATE DATE OF MAILING	INITIALS OF DHHR PARTICIPANT	ITEM DELIVERED BY UNITED STATES POSTAL SERVICE TO P.O. BOX 336 LOGAN, WEST VIRGINIA
30	6/30/2009	M.C. M.F.	\$4,940.76 check in the name of First Known Person, of which 3,765.63 was bundled with the fictitious account of "Mary B. Ellis"
31	7/6/2009	M.F.	\$2,439.99 check in the name of First Known Person, of which \$383.12 was bundled with the fictitious account of "Mary B. Ellis"
32	7/13/2009	M.F.	\$2,774.25 check in the name of First Known Person, of which \$825.59 was bundled with the fictitious account of "Mary B. Ellis"
33	7/20/2009	R.B. L.M. A.J.	\$5,597.42 check in the name of First Known Person
34	7/27/2009	M.C. C.L.	\$6,497.00 check in the name of First Known Person
35	8/3/2009	C.L.	\$10,344.80 check in the name of First Known Person, of which \$7,887.00 was bundled with the fictitious account of "Mary B. Ellis"

In violation of Title 18, United States Code, Section 1028A.

R. BOOTH GOODWIN II
United States Attorney

By:


ERIK S. GOES
Assistant United States Attorney